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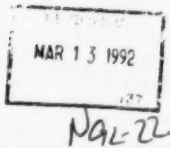

NGL-2234

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 1, 1992

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-6072

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LATSHAW ENTERPRISES, INC.
Name of Registrant

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

Delaware
State of Incorporation

44-0427129
Employer's I.D. Number

2533 S. West Street
Wichita, Kansas 67217
Address of principal executive offices

(316) 942-7266
Registrant's telephone number

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

Common Stock, $2 Par Value -- 592,832 Shares Outstanding at 2-1-92

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LATSHAW ENTERPRISES, INC.

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PART I. - FINANCIAL INFORMATION
Item 1. Financial Statements

LATSHAW ENTERPRISES, INC. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (In thousands)

	February 1, 1992	November 2, 1991
Assets		
Current Assets		
Cash and cash equivalents	$ 401	$ 231
Marketable equity securities, at lower of cost or market	1,250	3,809
Accounts and notes receivable - net	4,143	3,390
Inventories, at lower of cost (LIFO) or market	4,911	4,909
Refundable income taxes	891	891
Deferred income taxes	557	557
Prepaid expenses	250	328
Total Current Assets	12,403	14,115
Property, Plant and Equipment at cost	13,115	13,005
Less accumulated depreciation and amortization	(8,802)	(8,618)
	4,313	4,387
Deferred Income Taxes	113	113
Other Assets	304	333
	$17,133	$18,948
Liabilities and Shareholders' Equity		
Current Liabilities		
Notes payable to bank	$ 1,788	$ 4,492
Notes payable to shareholder	1,342	1,342
Accounts payable	2,069	1,886
Current portion of long-term debt	38	36
Accrued expenses	1,014	1,004
Total Current Liabilities	6,251	8,760
Long-Term Debt, less current portion	453	467
Pensions and Deferred Compensation	1,524	1,528
Shareholders' Equity		
Preferred stock, no par value; 500,000 shares authorized, none issued	-	-
Common stock, $2 par value; 1,500,000 shares authorized; 1,002,162 shares issued	2,004	2,004
Class C common stock, $2 par value: authorized shares--1,000,000, none issued	-	-
Additional paid-in capital	5,548	5,904
Retained earnings	11,997	11,339
	19,549	19,247
Less Treasury stock, at cost, 409,330 shares in 1992 and 423,939 shares in 1991	(10,644)	(11,054)
	8,905	8,193
	$17,133	$18,948

(This is an unauthorized statement)

LATSHAW ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except share data)

	Three Months Ended	
	February 1, 1992	February 2, 1991
Net sales	$6,326	$5,676
Costs and expenses		
Cost of sales	5,146	4,694
Selling, general and administrative	1,077	1,169
Interest expense	96	168
Interest income	(20)	(4)
Gain on sale of marketable equity securities	(803)	-
Unrealized loss on marketable equity securities	162	91
Other expense (income) - net	2	(116)
Total cost and expenses	5,660	6,002
Income (loss) before taxes and extraordinary item	666	(326)
Income tax provision (benefit)	226	(86)
Income (loss) before extraordinary item	440	(240)
Extraordinary item:		
Tax benefit from utilization of capital loss carryforwards	218	-
Net Income (loss)	$ 658	$ (240)
Net income (loss) per common share:		
Income (loss) before extraordinary item	$ .75	$ (.41)
Extraordinary item	.37	-
Net income (loss per share)	$ 1.12	$ (.41)
Average shares outstanding	585,479	578,802

1. The condensed financial statements included herein have been prepared by the Company without audit, and in the opinion of management, reflect all the adjustments necessary to fairly present the Company's results of operations for the period. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Although the Company believes that the disclosures are adequate to make the information presented not misleading, it is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report.

(This is an unaudited statement)

LATSHAW ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of dollars)

	Three Months Ended	
	February 1, 1992	February 2, 1991
OPERATING ACTIVITIES:		
Net income (loss)	$ 658	$ (240)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	184	203
Deferred pensions	(4)	(11)
Gain on sale of marketable equity securities	(803)	-
Unrealized loss on marketable equity securities	162	91
Provision for loss on accounts receivable	5	2
Minority interest share of income	-	(34)
Changes in operating assets and liabilities:		
Accounts and notes receivable	(758)	(257)
Inventories	(2)	361
Refundable income taxes	-	203
Prepaid expenses	78	(41)
Accounts payable	183	(140)
Accrued expenses	70	(124)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(227)	13
INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(110)	(273)
Proceeds from sale of marketable equity securities	3,200	-
Decrease in other assets	29	151
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	3,119	(122)
FINANCING ACTIVITIES:		
Payments on note payable to bank	(2,704)	(127)
Proceeds from issuance of note payable to shareholder	-	300
Payments of long-term debt	(12)	(3)
Purchase of treasury stock	(6)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(2,722)	170
INCREASE IN CASH AND CASH EQUIVALENTS	170	61
Cash and cash equivalents at beginning of period	231	271
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 401	$ 332

(This is an unaudited statement)

Item 2.

MANAGEMENT COMMENTS

Net sales for the first quarter of 1992 increased 11.5 percent to $6,326,000 compared to $5,676,000 for the same period in 1991. All operating divisions of the Company had increased sales this quarter over the same period last year.

Gross profit was 18.7 percent in the first quarter of 1992 compared to 17.3 percent for the same period in 1991. This improvement was accomplished as a result of increased sales volume and reductions in fixed costs.

Selling, general and administrative expenses decreased $92,000 in the first quarter of 1992 compared to the same period in 1991. This reduction was the result of steps taken by Management to reduce administrative costs through restructuring and staff reductions.

Interest expense was $96,000 for the first quarter of 1992 compared to $168,000 for the same period a year earlier. This decrease was due to the reduction of bank debt and a lower borrowing rate in the first quarter of 1992. Funds for the reduction of bank debt were provided from proceeds from the sale of marketable equity securities which is discussed later in this section.

In the first quarter of 1992, the Company recorded a $162,000 unrealized loss on marketable equity securities compared to an unrealized loss of $91,000 for the same period in 1991. These write downs are the result of the Company's policy of carrying its marketable equity securities at the lower of aggregate cost or market value.

On December 13, 1991, Latshaw Enterprises sold its shares of marketable equity securities of Bionaire, Inc. for approximately

$2,903,000. This resulted in a realized gain of approximately $721,000. In addition, the Company sold 32,000 shares of Stifel Financial Corp. The result of these transactions was a realized gain for the quarter of $803,000. Proceeds from these sales were used to pay down bank debt.

Unrealized capital loss carryforwards on marketable equity securities of approximately $641,000 have been utilized for financial reporting purposes at February 1, 1992 to offset the net capital gain recorded in the first quarter. Accordingly, the tax benefit of using the unrealized capital loss carryforwards amounting to $218,000 reduces deferred taxes otherwise provided and is reflected as an extraordinary item in the Consolidated Statement of Operations for the quarter ended February 1, 1992.

Latshaw Enterprises had net income for the first quarter of 1992 of $658,000, or $1.12 a share, compared to a loss of $240,000, or 41 cents a share, for the same period in 1991. For 1992, the extraordinary item related to the tax benefit from the utilization of the capital loss carryforward totaled $218,000 or 37 cents per share.

There have been no dividends declared since June 15, 1990. The Company has borrowed $1,342,000 from Mr. John Latshaw, Chairman of the Board, Chief Executive Officer and Managing Director of Latshaw Enterprises, Inc. Management believes the combination of funds available through its bank lines of credit along with anticipated cash flows from operations will provide the capital resources necessary to meet the Company's current working capital needs. However, opportunities may arise in the future that Management feels would enhance the value of the Company that could require financing not currently provided for.

PART II - OTHER INFORMATION

Item 5. - Other Information

The Company issued a press release on December 30, 1991 announcing that the Board of Directors had authorized up to $250,000 for the purchase of outstanding shares of the Company's common stock. The release stated that purchases were expected to be made from time to time in the open market and in privately negotiated transactions as market conditions warranted, and that the shares purchased would be added to the treasury and held for general corporate purposes. As of March 11, 1992, the Company has repurchased 5,000 shares for an aggregate purchase price of $22,582.

Item 6. - Exhibits and Reports on Form 8-K

(a) **Exhibits.**

(2) Stock Purchase Agreement, dated December 13, 1991, by and between Latshaw Enterprises, Inc. and MJ Partners (incorporated by reference from Exhibit 2 to the Current Report on Form 8-K dated December 13, 1991 filed by the Company with the Commission).

(b) **Reports on Form 8-K**

(1) The Company filed a Form 8-K dated December 13, 1991, reporting on the sale of 2,036,900 shares of its holdings of the common stock of Bionaire, Inc., a Canadian corporation, to MJ Partners, a Georgia general partnership.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LATSHAW ENTERPRISES, INC.

Michael E. Bukaty
President

David G. Carr
Sr. Vice President

March 12, 1992
Date